

**DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT**

**Office of the Assistant Secretary for
Public and Indian Housing**

[Docket No. FR-3915-N-01]

**Public Housing Youth Entrepreneurial
Demonstration Program**

AGENCY: Office of the Assistant
Secretary for Public and Indian
Housing, HUD.

ACTION: Notice of funding availability.

SUMMARY: This notice of funding availability announces the Department's intention to award a total of \$1 million in grants to the Philadelphia Housing Authority and the Housing Authority of the City of Los Angeles to partner with the Education Training & Enterprise Center (EDTEC) to enhance the long-term welfare of youth living in public housing through structured Youth Entrepreneurial Demonstration Programs.

EDTEC is currently under contract with the Department to design, develop and implement Youth Entrepreneurial Demonstration Institutes in the communities of the Housing Authorities (HAs) referenced above. During the development and implementation of these Youth Entrepreneurial Demonstration Institutes (Institute or Institutes), the Housing Authorities (HAs) named above and EDTEC will seek input and cooperation in the form of technical assistance, guidance and additional financial resources, to be used for micro enterprise start up and operation, from but not limited to the following types of organizations: Resident Councils (RCs), Resident Management Corporations (RMCs), neighborhood schools, other neighborhood service organizations, private corporations, university business school students, and volunteer mentors. The Youth Entrepreneurial Demonstration Programs that will be provided by the Institutes will take participants through initial literacy training, when necessary, and continue them through actual business planning, business start up and provide the necessary on going business support that can lead to self-sufficiency for public housing youth. Throughout the performance period of this notice, funds from these grants will be targeted to assist participating youths in gaining access to the required education, employment and supportive services. This notice provides guidelines for the use of these funds and invites comments on the demonstration.

The performance period for this demonstration program will be for 24 months after award.

DATES: *Application due date.*

Applications must be physically Received by the local HUD office having jurisdiction over the proposed project on or before 3:00 p.m. (local time) on August 14, 1995. This application deadline is firm as to location, date, and hour. In the interest of fairness to all competing applicants, HUD shall treat as ineligible for consideration any application that is received after the deadline.

Comments due date. August 14, 1995.

ADDRESSES: Interested persons are invited to submit comments regarding this notice to the Rules Docket Clerk, Office of General Counsel, Room 10276, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-0500. Communications should refer to the above docket number and title. Facsimile (FAX) comments are *not* acceptable. A copy of each communication submitted will be available for public inspection and copying between 7:30 a.m. and 5:30 p.m. weekdays at the above address.

FOR FURTHER INFORMATION CONTACT: Darlene Cocco, Office of Community Relations and Involvement (OCRI), Department of Housing and Urban Development, 451 Seventh Street SW., Room 4112, Washington, DC 20410, Telephone Number (202) 619-8201. (This is not a toll-free number). Hearing- or speech-impaired persons may use the Telecommunications Devices for the Deaf (TDD) by contacting the Federal Information Relay Service on (202) 708-9300 or 1-800-877-8339 for information on the program.

SUPPLEMENTARY INFORMATION:

I. Authority

The \$1 million for the Youth Entrepreneurial Demonstration Program is funded from a portion of the \$20 million appropriated in the Department of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act for 1994 (Pub. L. 103-124, approved October 28, 1993) (the 1994 Appropriations Act), under the heading "Severely Distressed Public Housing Projects." This grant program provides funds for the implementation of Youthbuild programs authorized under subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as added by section 164 of the Housing and Community Development Act of 1992 (Pub. L. 102-550, approved October 28, 1992).

II. Announcement of Demonstration

This notice announces the Department's intention to award a total of \$1 million in grants to the Philadelphia Housing Authority and the Housing Authority of the City of Los Angeles to partner with the Education Training & Enterprise Center (EDTEC) to enhance the long-term welfare of youth living in public housing through the Youth Entrepreneurial Demonstration Program. Youth is defined as a person between 16-24 years old in accordance with Youthbuild Subchapter C of Chapter V of Title 24 of the Code of Federal Regulations as amended by the new part 585.

Los Angeles and Philadelphia were selected because the targets for this Demonstration are Troubled Housing Authorities, which they are, and both cities have the relationship with EDTEC and private partners necessary to undertake this project. The Demonstration program will also help youth of public housing benefit from section 3 of the Housing and Urban Development Act of 1968, as amended.

In accordance with the requirements of section 470(a) of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 3542), this notice describes the intent of the Youth Entrepreneurial Demonstration Program and invites public comment. Any changes made in this demonstration as a result of the Department's consideration of public comments, and any extension of time for commitment of funds that may be necessary because of these changes, will be published in the **Federal Register**.

The Department will not commit funds for the demonstration until after the latest of: (1) The date the Department has considered any comments received in response to this notice; (2) September 11, 1995, which is 60 days after today's publication date; and (3) the date the Department has received and approved a proposal that meets the requirements set forth in this notice and any subsequent notice announcing changes in the demonstration.

III. Maximum Award

Under this Demonstration, the Department is making available a maximum of \$500,000 to the Philadelphia Housing Authority and \$500,000 to the Housing Authority of the City of Los Angeles to carry out this Demonstration.

IV. Description of Demonstration

The Youth Entrepreneurial Demonstration Program is part of HUD's comprehensive strategy to enable

resident youths ages 16–24 from public housing communities to develop and expand their entrepreneurial skills to help them open businesses in and out of their communities which will provide opportunities leading to self-sufficiency.

Eligible Program Participants

Eligible program participants must be public housing residents, and in accordance with Youthbuild:

(1) Participants must be very low-income individuals aged 16 to 24 years, who are high school dropouts. An exception allows for 25 percent of the participants to be individuals who do not meet the program's income or educational requirements but who have educational needs despite attainment of a high school diploma or its equivalency.

(2) Any eligible individual selected for full-time participation in this program may be offered full-time participation for a period of not less than 6 months and not more than 24 months unless the Youth Entrepreneurial Demonstration Program extends beyond this time frame.

(3) Programs must be structured so that 50 percent of the time spent by participants in the program is devoted to educational services and activities. All educational programs and activities supported with funds from the demonstration program must be consistent with applicable State and local educational standards. Standards and procedures for academic credit and certifying educational attainment must be consistent with applicable State and local educational standards.

(4) Wages and benefits, labor standards, and nondiscrimination requirements shall apply under this program as they would under the Youthbuild program. Housing authorities participating in this demonstration program may not be prevented from using funds from non-Federal sources to increase wages and benefits under the program, if appropriate.

Eligible Activities

Eligible activities under these grants are the following:

(1) Policy Recommendations. Develop policy recommendations regarding the Public Housing Youth Entrepreneurial Demonstration Program's operation for HUD and the two public housing authorities to further their goals of economic empowerment and drug prevention for youth who reside in public and Indian housing.

(2) Training Curriculum. The PHA will customize and supplement the

training curriculum provided by EDTEC to meet the needs of the youth in their communities.

(3) Entrepreneurship Course. The PHA will deliver the entrepreneurship program provided by EDTEC and customized by the PHA.

(4) On Site Technical Assistance. As youth put their businesses together, the grantee must be able to provide technical assistance to youth operated businesses including but not limited to the following areas: legal, accounting, marketing, etc. This assistance should be available for a sufficient amount of time to insure success.

(5) Wages, benefits and stipends for participants.

(6) Mentorship. Develop and implement a mentoring program as an integral and critical ongoing component of the Public Housing Youth Entrepreneur Demonstration Program. The objective of this effort is to afford the participants the opportunity to learn from others' strengths and limitations, and to benefit from others' experiences in building enterprises which are highly prosperous in creating economic development opportunities in the inner cities to help public housing youth have an economic alternative to drugs. Housing Authorities (HAs) named above and EDTEC will obtain input and cooperation in the form of technical assistance, guidance and additional financial resources to be used for micro enterprise start up and operation, from but not limited to the following types of organizations: Resident Councils (RCs), Resident Management Corporations (RMCs), neighborhood schools, other neighborhood service organizations, private corporations, university business school students, and volunteer mentors.

(7) Supportive Services. Provide supportive services which will enable participants to attend and fully participate in the Institute's activities, (i.e. transportation, childcare, stipends, etc.).

(8) Financing/Loan Fund. Develop a strategy with the Institute for establishing a revolving micro loan fund for youth seeking business start up funds.

(9) Clearinghouse. Collect, assemble and develop materials on youth entrepreneurship in and out of public housing for the distribution by the Office of Community Relations and Involvement (OCRI) Clearinghouse. Develop model program briefs on successful youth entrepreneurial models emphasizing the "how to" of the project and clearly defining the obstacles and how they were overcome. Video studies

may be done on several of the most successful models.

(10) Reports. Produce quarterly reports that reflect the current status of the project. These reports will be used to determine whether or not this initiative is on target relative to a specified timetable (time to be technically determined later) and meeting the stated objective of the institutes and tracking specific outcome measures agreed to by HUD and the contractor.

(11) Final Report/Evaluation. Produce and submit a final report which shall be an evaluation of technical assistance, the resources required to meet the objective of the institutes, including an assessment of the strategies used to implement the project, and any recommendations. The contractor shall also make recommendations regarding the replication of this project or the development of any future entrepreneurial institutes.

Restrictions

No more than 15 percent of the total grant amount may be used for administrative costs.

Reports

Each PHA receiving a grant shall submit to HUD a *quarterly and an annual* progress report (in a format to be provided by HUD) regarding the implementation of this program and the effectiveness of the Youth Entrepreneur Demonstration Program in meeting its purpose.

Proposal Requirements

In order to receive the funding proposed in this notice, each PHA must submit a proposal describing its program in detail. Proposals are not limited to but must include:

- (1) A copy of the agreement between the PHA, EDTEC and the private organization providing mentorship that meets the requirement of the program;
- (2) A description of how eligible participants will be recruited;
- (3) An accompanying implementation schedule and budget;
- (4) A description of training and placement activities under the demonstration and how training activities will prepare the participants for entrepreneurial opportunities;
- (5) A description of resident involvement in the program's planning and implementation;
- (6) A description of efforts to provide business development, business start-up and business operation for successful program participants;
- (7) A description of how program success will be measured, describing the

baseline indicators against which success will be measured;

(8) A description of how program participants' supportive service needs will be met;

(9) Certification that participants will be eligible as defined in the notice; and

(10) A training curriculum on the major body of knowledge required for a successful youth entrepreneurship development. This curriculum, developed by EDTEC and customized by PHA must be approved by HUD.

Other Matters

A. Environmental Impact

In accordance with 40 CFR 1508.4 of the Council on Environmental Quality regulations and 24 CFR 50.19 of the HUD regulations, the policies and procedures proposed in this document are determined not to have the potential of having a significant impact on the quality of the human environment and therefore are exempt from further environmental reviews under NEPA.

B. Federalism Executive Order

The General Counsel, as the Designated Official under Section 8(a) of Executive Order 12612, Federalism, has determined that the provisions in this Notice of Funding Availability are closely based on statutory requirements and impose no significant additional burdens on States or other public bodies. This NOFA does not affect the relationship between the Federal Government and the States and other public bodies or the distribution of power and responsibilities among various levels of government. Therefore, the policy is not subject to review under Executive Order 12612.

C. Family Executive Order

The General Counsel, as the Designated Official under Executive Order 12606, the Family, has determined that this Notice of Funding Availability will have a significant impact on formation, maintenance or well being of the family. This Demonstration program will enhance the long term welfare of youth in public housing. Therefore, since the impact upon the family is beneficial, no further review under this Order is necessary.

D. Section 102 of the HUD Reform Act

Documentation and Public Access Requirements. HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for

public inspection for a five-year period beginning not less than 30 days after the award of the assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its **Federal Register** notice of all recipients of HUD assistance awarded on a competitive basis. (See 24 CFR 12.14(a) and 12.16(b), and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942), for further information on these requirements.)

Disclosures. HUD will make available to the public for five years all applicant disclosure reports (Form HUD-2880) submitted in connection with this NOFA. Update reports (also Form HUD-2880) will be made available along with the applicant disclosure reports, but in no case for a period less than three years. All reports—both applicant disclosures and updates—will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. (See 24 CFR part 15, subpart C, and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942), for further information on these disclosure requirements.)

E. Section 103 of the HUD Reform Act

Section 103 of the HUD Reform Act proscribes the communication of certain information by HUD employees to persons not authorized to receive that information during the selection process for the award of assistance. HUD's regulations implementing section 103 are at 24 CFR part 4. In accordance with the requirements of section 103, HUD employees involved in the review of applications and in the making of funding decisions are restrained by 24 CFR part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who apply for assistance in this competition should confine their inquiries to the subject areas permitted by 24 CFR part 4.

HUD employees involved in the review of applications and in the making of funding decisions are limited by part 4 from providing advance information to any person (other than an authorized employee of HUD) concerning funding decisions, or from otherwise giving any applicant an unfair competitive advantage. Persons who

apply for assistance in this competition should confine their inquiries to the subject areas permitted under 24 CFR part 4.

Applicants who have questions should contact the HUD Office of Ethics at (202) 708-3815 (voice), (202) 708-1112 (TDD). These are not toll-free numbers. The Office of Ethics can provide information of a general nature to HUD employees, as well. However, a HUD employee who has specific program questions, such as whether particular subject matter can be discussed with persons outside the Department, should contact his or her Field Office Counsel or Headquarters Counsel for the program to which the question pertains.

F. Section 112 of the HUD Reform Act

Section 112 of the Housing and Urban Development Reform Act of 1989 (Reform Act) added a new Section 13 of the Department of Housing and Urban Development Act (42 U.S.C. 3531 *et seq.*). Section 13 contains two provisions concerning efforts to influence HUD's decisions with respect to financial assistance. The first imposes disclosure requirements on those who are typically involved in these efforts—those who pay others to influence this award of assistance or the taking of a management action by the Department and those who are paid to provide the influence. The second restricts the payment of fees to those who are paid to influence the award of HUD assistance, if the fees are tied to the number of housing units received or are based on the amount of assistance received, or if they are contingent upon the receipt of assistance. Section 13 are at 24 CFR part 86. Any questions regarding the rule should be directed to the Office of Ethics, Room 2158, Department of Housing and Urban Development, 451 Seventh Street, SW., Washington, DC 20410-3000. Telephone: (202) 708-3815 (voice); (202) 708-1112 (TDD). These are not toll-free numbers. Forms necessary for compliance with the rule may be obtained from the local HUD Office.

F. Prohibition Against Lobbying Activities

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of Section 319 of the Department of Interior and Related Agencies Appropriations Act for Fiscal Year 1990 (31 U.S.C. 1352) and the HUD implementing regulations at 24 CFR part 87. These authorities prohibit recipients of federal contracts, grants or loans from using appropriated funds for lobbying

the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87, applicants, recipients and subrecipients of assistance exceeding \$100,000 must certify that no federal funds have been or will be spent on lobbying activities in connection with the assistance.

Dated: July 7, 1995.

Joseph Shuldiner,

Assistant Secretary for Public and Indian Housing.

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